

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : **Chapter 11**
: **Case Nos. 00-B-41065 (SMB)**
RANDALL'S ISLAND FAMILY GOLF : **through 00-B-41196 (SMB)**
CENTERS, INC., et al., :
: **(Jointly Administered)**
Debtors. :
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**FINAL ORDER AUTHORIZING AN AMENDMENT TO DEBTORS'
DEBTOR IN POSSESSION LOAN AGREEMENT**

Upon the motion (the "Motion") of the debtors and debtors in possession in the above-captioned cases (the "Debtors"), requesting entry of an order authorizing them to enter into, and perform under, the Amendment No. 3 (the "Amendment") to the Revolving Credit and Guaranty Agreement, dated as of June 2, 2000, as previously amended on June 30, 2000 and November 21, 2000 (the "DIP Credit Agreement") in substantially the form heretofore filed with this Court; and an interim hearing (the "Interim Amendment Hearing") having been held on January 11 and January 12, 2001, and the Court having entered an interim order (the "Interim Hearing Order") approving the Amendment on interim basis; and due and sufficient notice under the circumstances of the Motion and this hearing (the "Final Amendment Hearing") having been given; and based upon the record made at the Interim Amendment Hearing and the Final Amendment Hearing it appearing that sufficient cause exists for granting the requested relief and that the relief requested under the Motion is in the best interests of the Debtors' estates and creditors;

IT IS FOUND, DETERMINED, ORDERED AND ADJUDGED, that:

1. This Court has core jurisdiction over these proceedings and the parties and property effective hereby pursuant to 28 U.S.C. §§ 157(b) and 1334.

2. The terms of the Amendment are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duty and are supported by reasonably equivalent value and fair consideration. The Amendment has been negotiated in good faith and at arm's-length among the Debtors and the Post-Petition Agent and any credit extended, letters of credit issued for the account of and loans made to the Borrower pursuant to the Amendment, shall be deemed to have been extended by the Post-Petition Lenders in good faith, as that term is used in Section 364(e) of the Code and in express reliance upon the protections afforded by Section 364(e) of the Code.

3. The terms and provisions of the Amendment are hereby approved, the Borrower is immediately authorized to borrow or obtain letters of credit pursuant to the Amendment, and the Guarantors may guaranty such borrowings pursuant to the DIP Credit Agreement, up to an aggregate of \$3,600,000 (inclusive of any amounts borrowed pursuant to the Interim Amendment Order), which shall be used for the purpose of providing working capital to the Borrower and the Guarantors in accordance with the Budget (as defined in the DIP Credit Agreement).

4. Obligations incurred pursuant to the Amendment and this Order shall constitute valid and binding obligations of the Debtors enforceable against each Debtor in accordance with their terms and the Debtors are hereby authorized and directed to perform and do all acts that may be required in connection herewith.

5. For all of the Debtors' obligations arising in connection with the Standby Loan Commitment (as defined in the Amendment), the Post-Petition Agent and the Post-Petition Lenders are

granted pursuant to Section 364(c)(1) of the Code an allowed claim immediately senior to the allowed claim granted to the Post-Petition Agent and the Post-Petition Lenders pursuant to the Final Order (as defined in the Motion).

6. As security for all of the Debtors' obligations and indebtedness arising in connection with the Standby Loan Commitment, the Post-Petition Agent, on behalf of the Post-Petition Lenders, it is hereby granted (effective upon the date of this Order and without the necessity of the execution by the Debtors of mortgages, security agreements or otherwise) a perfected security interests in and liens upon the Debtors' assets immediately senior to the security interests and liens granted to the Post-Petition Agent pursuant to the Final Order.

7. The notice given by the Debtors of the Motion and of the Final Amendment Hearing constitutes due and sufficient notice of the Motion and of the Final Amendment Hearing.

8. Pending further order of this Court, the Debtors shall not pay the Adequate Protection Payments to the Pre-Petition Non-Primed Lenders as set forth in the Final Order.

9. Except as specifically provided in the Amendment and this Order, all terms and conditions set forth in the DIP Credit Agreement and the Final Order remain in full force and effect.

10. The Stipulation on the record of the Interim Amendment Hearing is incorporated by reference.

Dated: New York, New York
January 31, 2001

/s/ STUART M. BERNSTEIN
United States Bankruptcy Judge